



Reviving

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Everglades Land Acquisition

Governing Board Meeting

August 12, 2010

Presentation Outline



- Acquisition Agreement
 - Amendments to Purchase & Sale Agreement
 - Amendments to Lease Agreement
 - Track Relocation Agreement
- Utilization of Initial Lands for Water Quality Purposes
- Legal Update
- Budget Outlook
- Board Discussion & Action



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Second Amended and Restated Agreement for Sale and Purchase

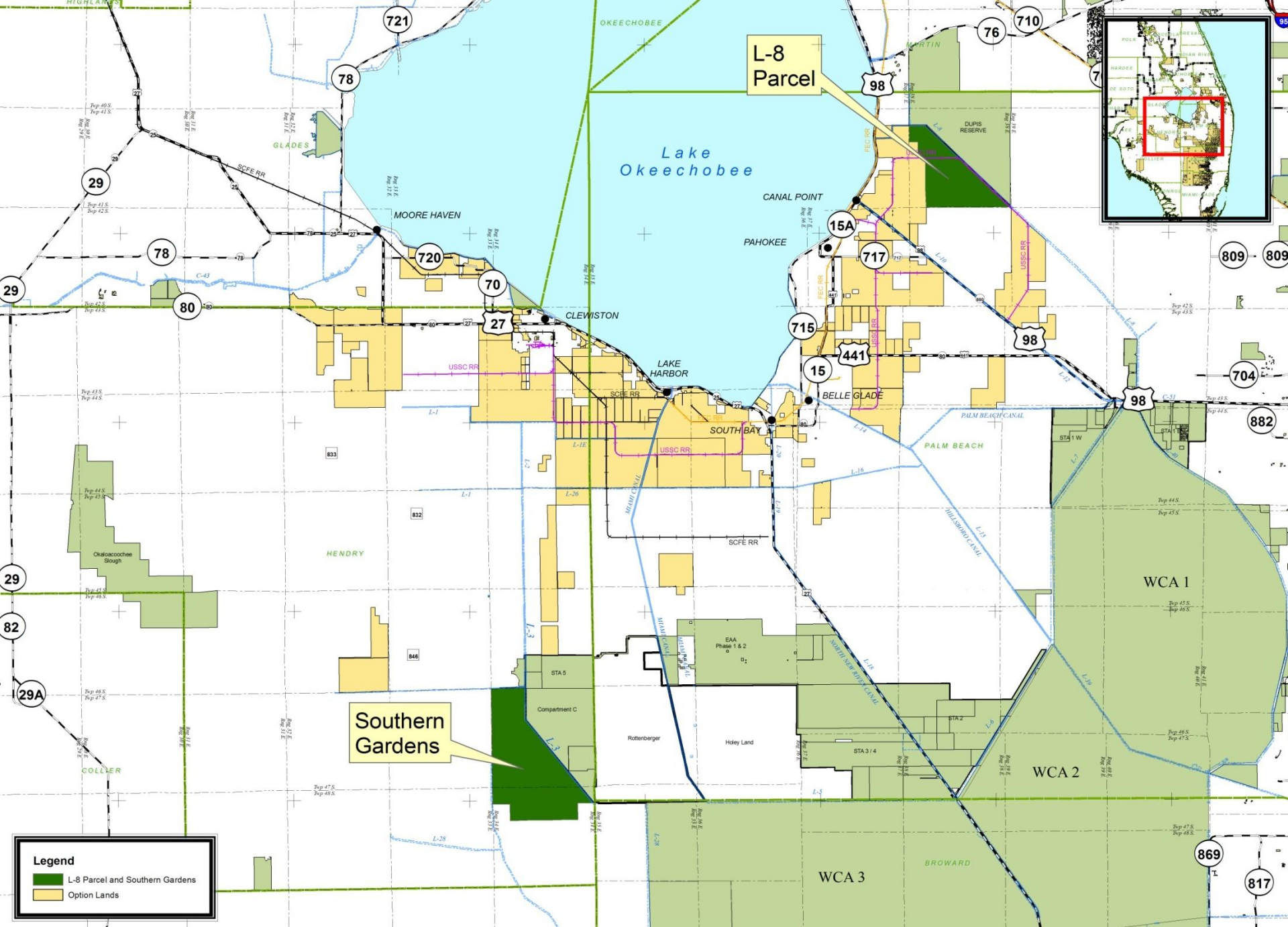
Ruth Clements

Director, Land Acquisition, ERCP

Second Amended & Restated Agreement Revised Terms

- Land Purchase: 26,790 acres
 - Southern Gardens (Hendry County): 17,904 acres
 - L-8 (Palm Beach County): 8,886 acres
- Purchase Price: \$197,396,088
- Contract Execution by August 12, 2010
- Closing on or before October 11, 2010





Legend

- L-8 Parcel and Southern Gardens
- Option Lands

Second Amended & Restated Agreement

Additional Conditions Precedent to Closing



- No injunction prohibiting closing
- USSC lender approval required
- Affordability/financing condition deleted
- \$10 Million is sole remedy of either party for failure to close

Second Amended & Restated Agreement Environmental Matters

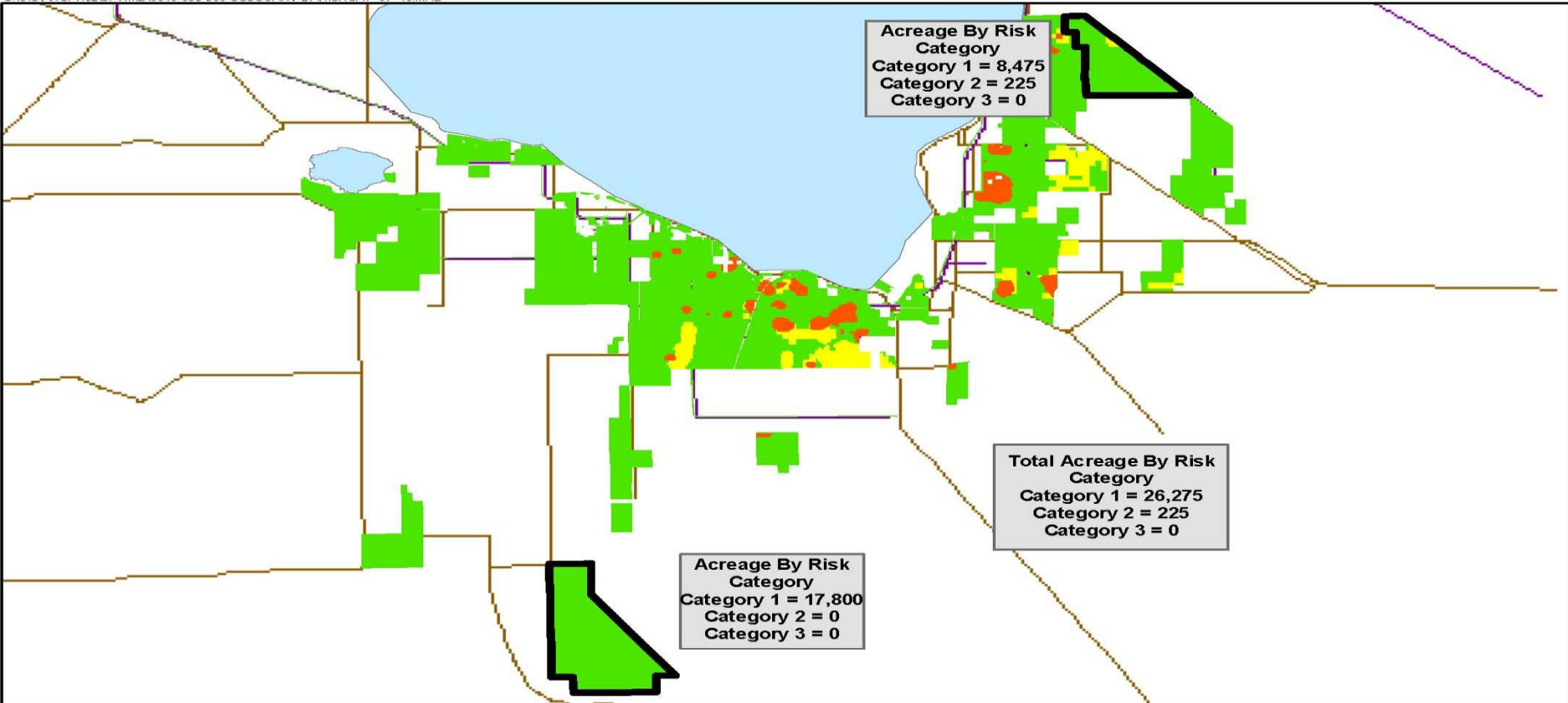


- USSC will provide \$3,164,000 for environmental cleanup
- SFWMD will perform ecological remediation
- Total estimated remediation cost is \$7,164,532

Environmental Conditions

Agricultural Standard

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 Acquisition Boundary July 2010

Human Health Risk Categories

Category

 Category 1

 Category 2

 Category 3



0 4 8
Miles

SFWMD

US Sugar Acquisition

Figure 3
Phase II ESA
Human Health Risk Categories
U.S. Sugar Corporation Lands

PRJ: 012-039

REV: 0

BY: JMA

DATE: July 28, 2010

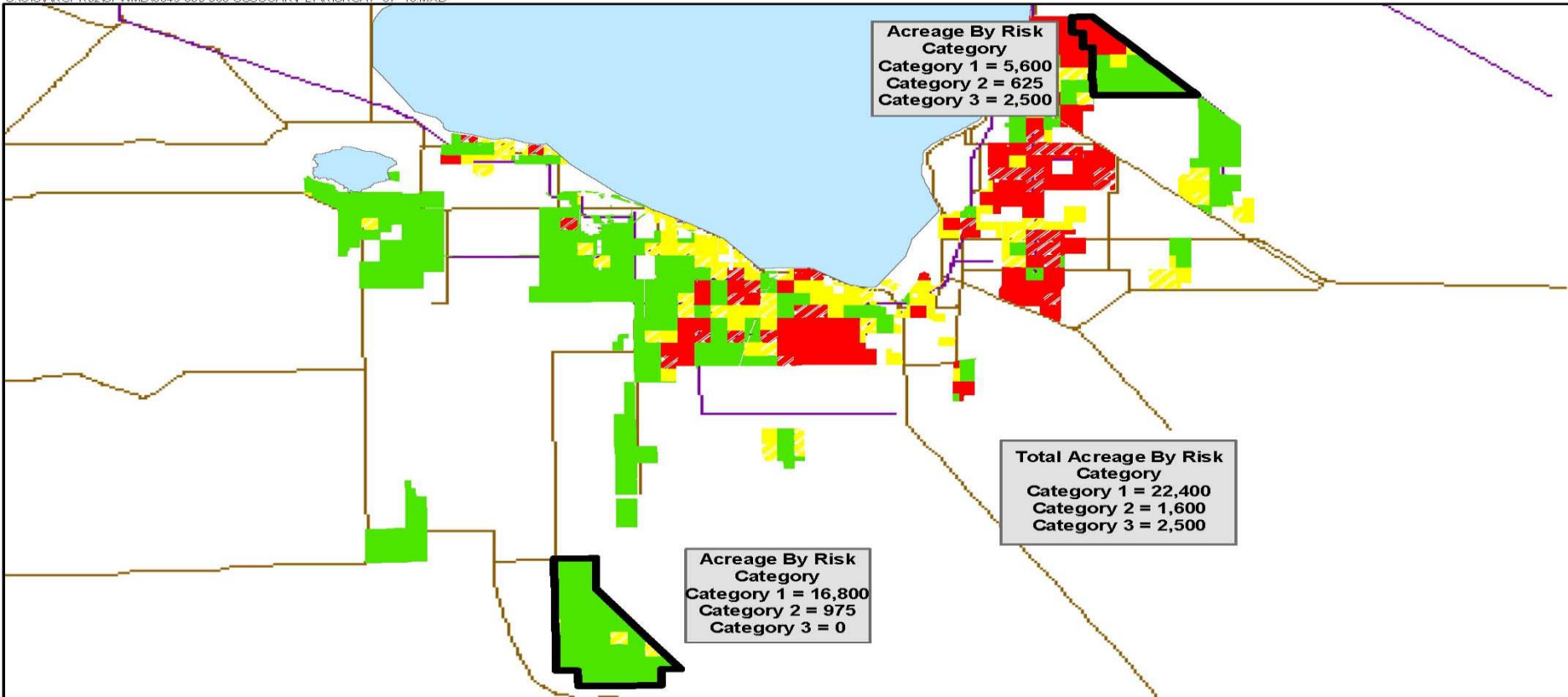
CHK: JMA

FORMATION
 ENVIRONMENTAL

Environmental Conditions

Eco-Risk Standard

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Acquisition Boundary July 2010

- Category 1
- Category 2
- Category 2
- Category 3
- Category 3

Note: Hatched areas represent areas with greater uncertainty in the risk estimations due to data limitations.

0 4 8 Miles



SFWMD

US Sugar Acquisition

Figure 2
 Phase II ESA
 Ecological Risk Categories
 U.S. Sugar Corporation Lands

PRJ: 012-039

REV: 0

BY: JMA

DATE: July 28, 2010

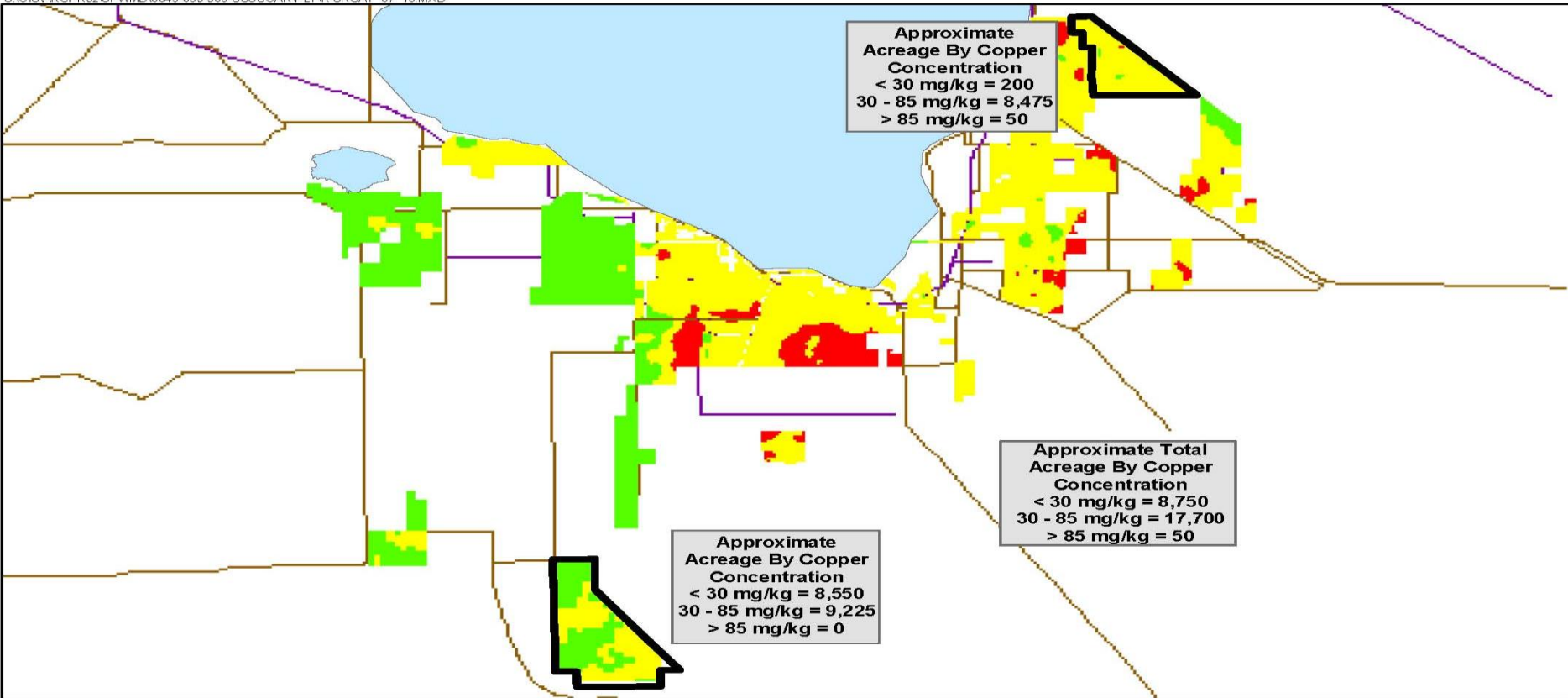
CHK: JMA

FORMATION
 ENVIRONMENTAL

Environmental Conditions




Copper Standard

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 Acquisition Boundary July 2010

Copper Concentrations

-  < 30 mg/kg
-  30 - 85 mg/kg
-  > 85 mg/kg

Note: Copper concentrations estimated via kriging of 40-acre composite samples. 5-acre discrete samples in Southern Division had several exceedances of 85 mg/kg.

0 4 8 Miles



SFWMD

US Sugar Acquisition

Figure 4
 Phase II ESA
 Soil Copper Concentrations
 U.S. Sugar Corporation Lands

PRJ: 012-039

REV: 0

BY: JMA

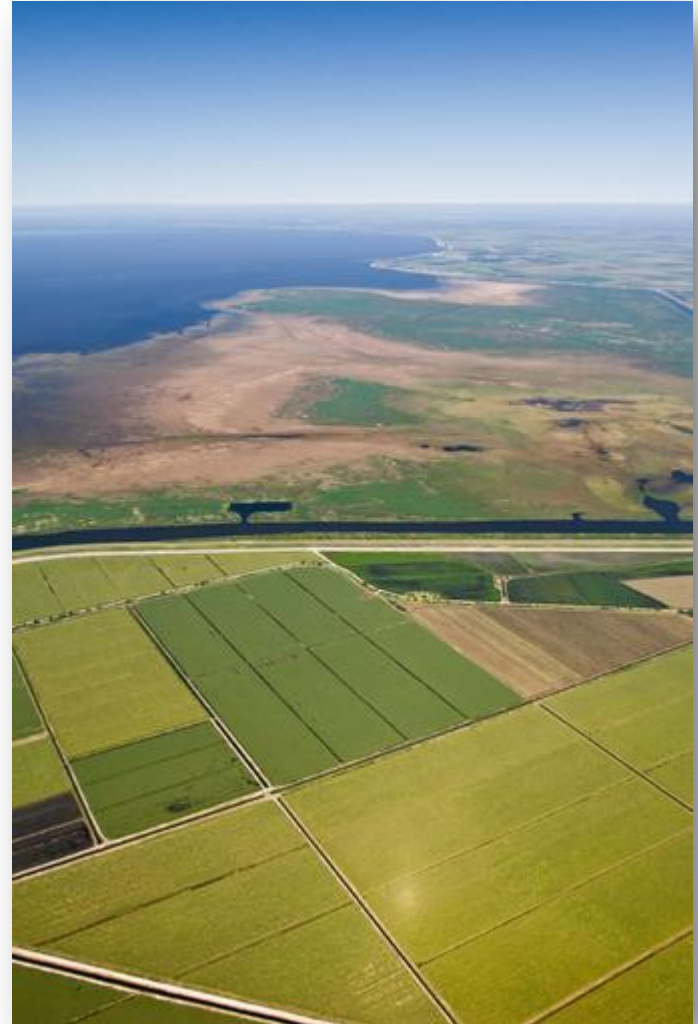
DATE: July 28, 2010

CHK: JMA

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Second Amended & Restated Agreement SFWMD Option to Purchase

- 3 year exclusive option to purchase for \$7,400/acre either:
 - a specifically identified 46,800 acres; or
 - the entire remaining 153,209 acres



Second Amended & Restated Agreement

Other Option Conditions

- Additional 2 year non-exclusive option (up to year 5) to purchase the 46,800 acres at Fair Market Value.
- Additional 7 year non-exclusive option (up to year 10) to purchase the 153,209 acres at Fair Market Value.
- USSC can sell property subject to SFWMD option rights
- SFWMD also retains right of first refusal on anything USSC sells for 20 years

A white egret is captured in mid-flight, its wings fully extended, showing the intricate structure of its feathers. The bird is positioned in the center-left of the frame, facing right. Its long neck is elegantly curved. The background is a lush, green, out-of-focus field of vegetation, likely grass or reeds. Below the bird, a calm body of water reflects the scene, creating a clear mirror image of the egret and the foliage above. The overall tone is serene and natural.

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Lease Agreement

Lease Agreement

- Lease back to U.S. Sugar for up to 20 years
 - Initial 7 year term
 - Automatic extensions for 3 years + 10 years if option not exercised
- Different provisions for Citrus and Sugar Cane
 - Citrus – USSC not required to continue planting
 - Sugar – USSC not required to plant after June 2014
- Chapter 40E-63, F.A.C. BMPs required until Option is exercised
- USSC to pay all real estate taxes and assessments

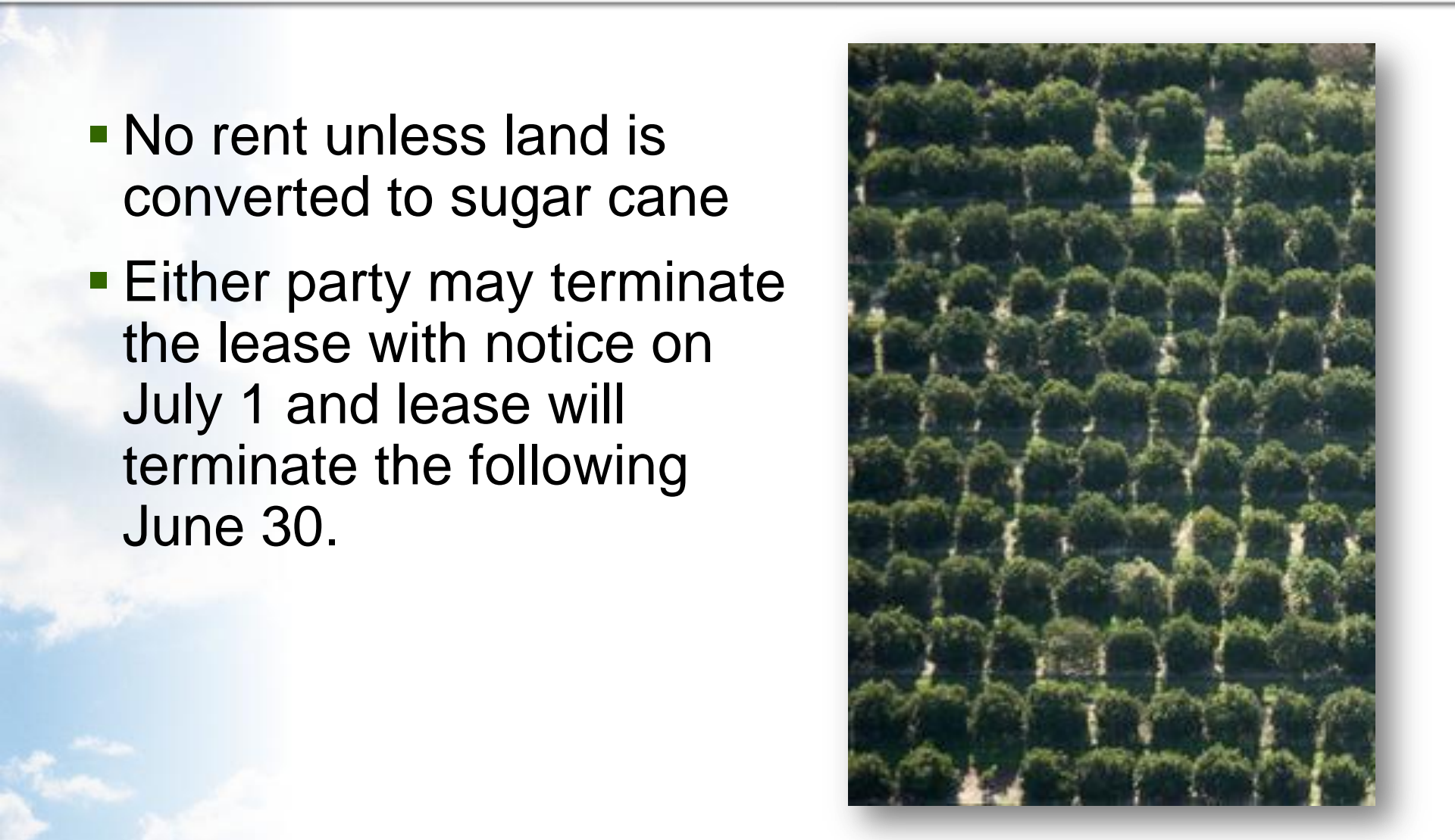
Lease Agreement Sugar Cane Land



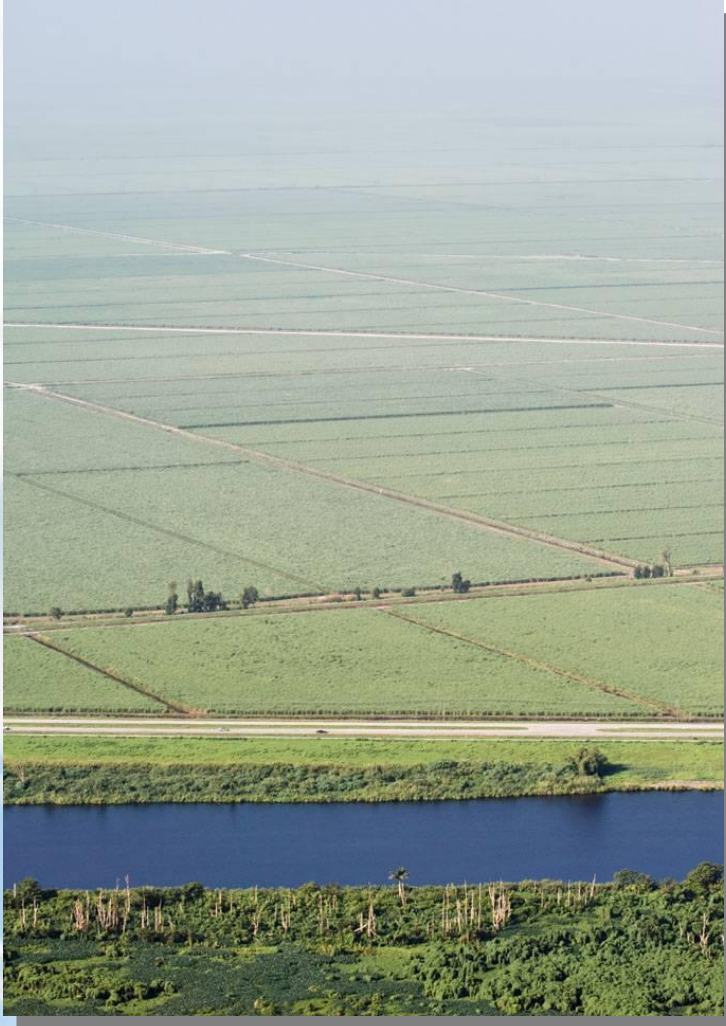
- Rent is \$150/ acre for 10 years or until SFWMD exercises option then rent is Fair Market Value
- Beginning January 2011, USSC can terminate entire lease by notice given prior to June 10 and lease will terminate the following May
- After June 2014 USSC can terminate all or a portion of the lease with one year notice

Lease Agreement Citrus Land

- No rent unless land is converted to sugar cane
- Either party may terminate the lease with notice on July 1 and lease will terminate the following June 30.



Lease Agreement Take Down Schedule



- All citrus land (17,904 acres) available to SFWMD with 1 year notice (7/1/11 to 6/30/12)
- All cane land (8,886 acres) available to SFWMD for project or exchange with 2 years notice (5/1/11 to 5/1/13)

“Evergreen” Escrow Fund

- In addition to \$3,164,000 for environmental clean-up under agreement
 - \$1,471,770 secures all USSC's lease obligations which includes 3 year post lease for environmental





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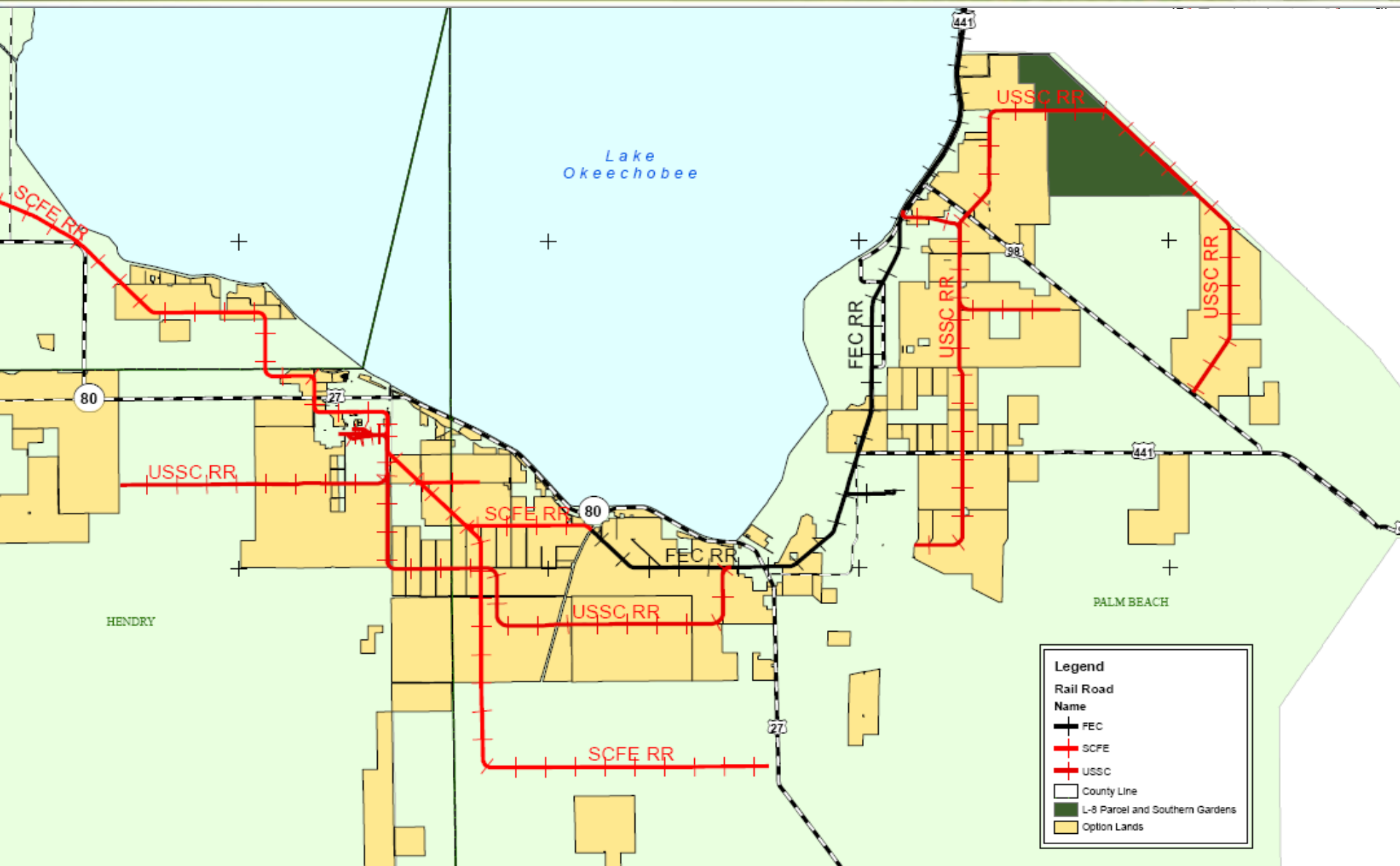
Track Relocation Agreement

Track Relocation Agreement



- Agreement Term: 35 years
- District responsible for acquisition of relocation site and new track construction
- Oversight through “Relocation Committee” with representation from SFWMD, USSC and South Central Florida Express

Track Relocation Agreement Map



Track Relocation Agreement Environmental Process

During Due Diligence

If SFWMD finds contaminants in excess of allowed railroad concentrations

- SFWMD may elect not to use parcels, or
- USSC to pay 130% of estimated remediation cost



Track Relocation Agreement Environmental Process

During Construction

If SFWMD discovers additional contamination, SFWMD remediates at own expense

- Exception is if additional contamination in form of spill, buried drum or plume, USSC pays for remediation



Track Relocation Agreement Environmental Process



- After USSC acceptance of new rail site and transfer of old site to SFWMD, tracts are “as is”



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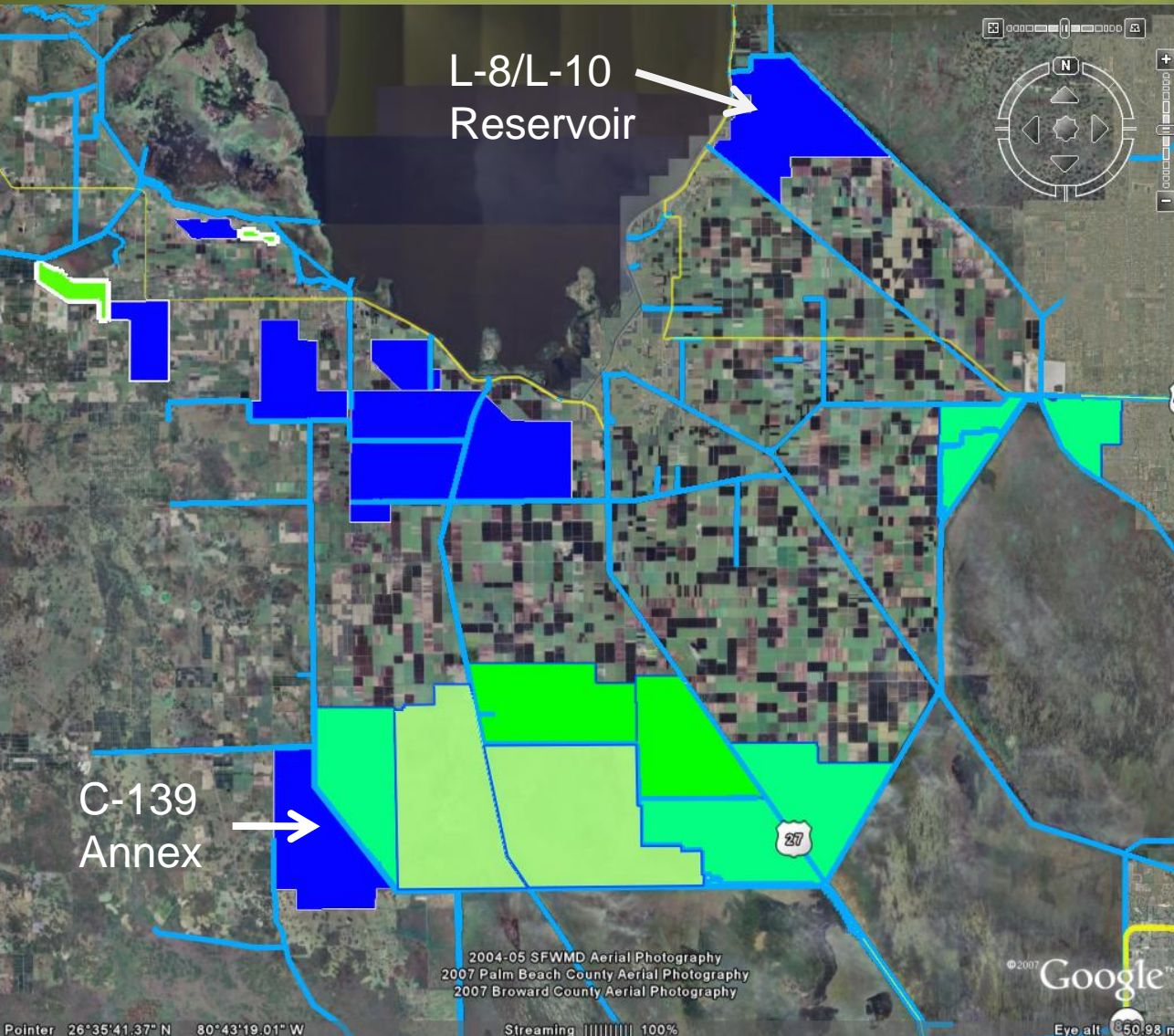
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Utilization of Initial Lands for Water Quality Purposes

Jeff Kivett, P.E.

Department Director, Engineering, ERCP

2008 Due Diligence Phase U.S. Sugar Only Option



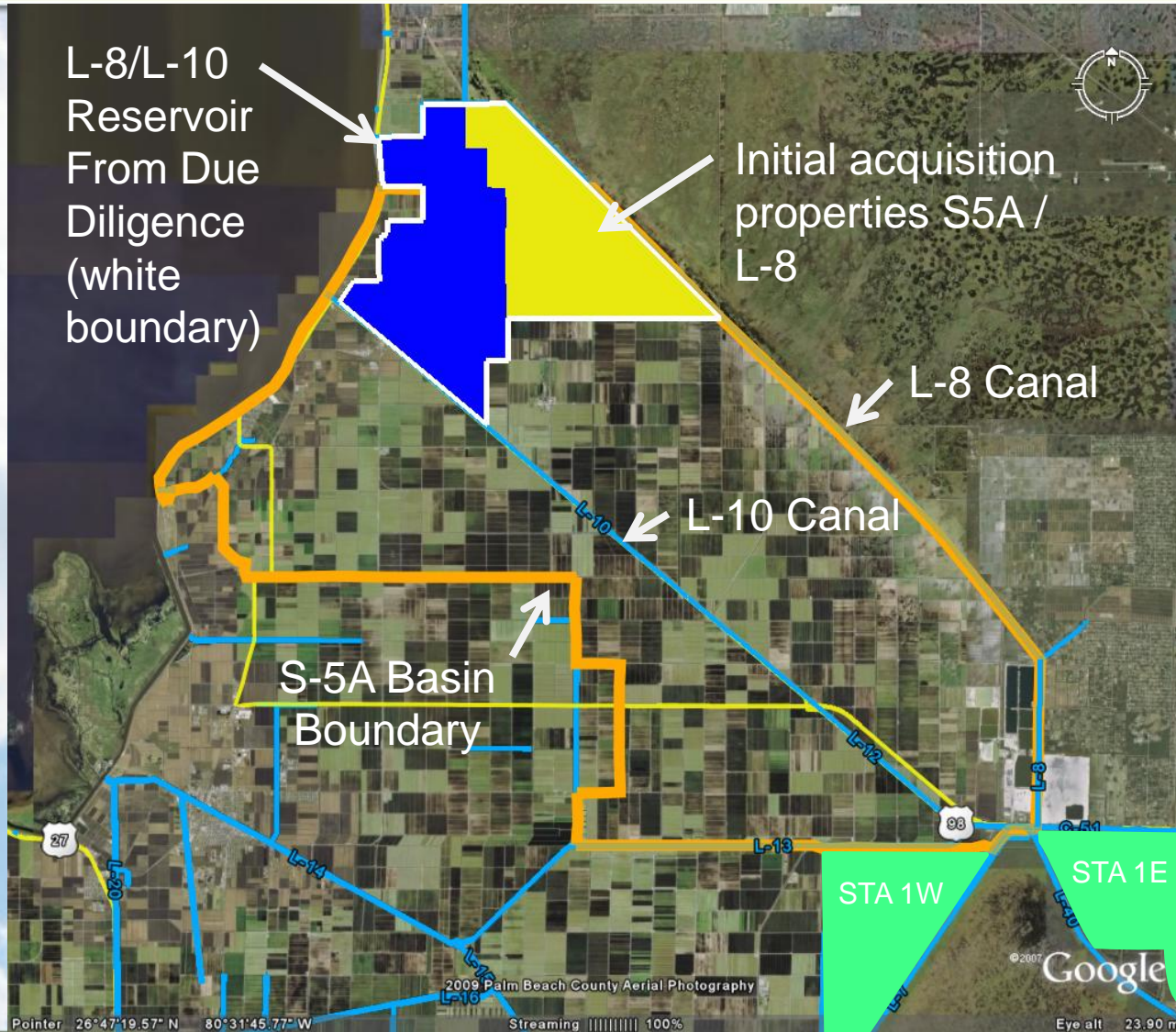
US Sugar option
presented September
2008 Governing Board
Meeting

Focused to provide
water storage, water
quality treatment and
conveyance

Utilizes reservoirs with
depths expected
between 12 and 15 feet

Deliver proper flows to
the remnant Everglades
at appropriate nutrient
concentrations and loads

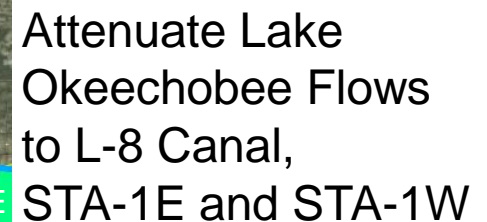
Initial Acquisition Properties S5A / L-8



Reduced Footprint
Area:
~ 9,000 acres

Land Use: Sugar
Cane

Potentially 2.5 miles
of railroad track to
be relocated

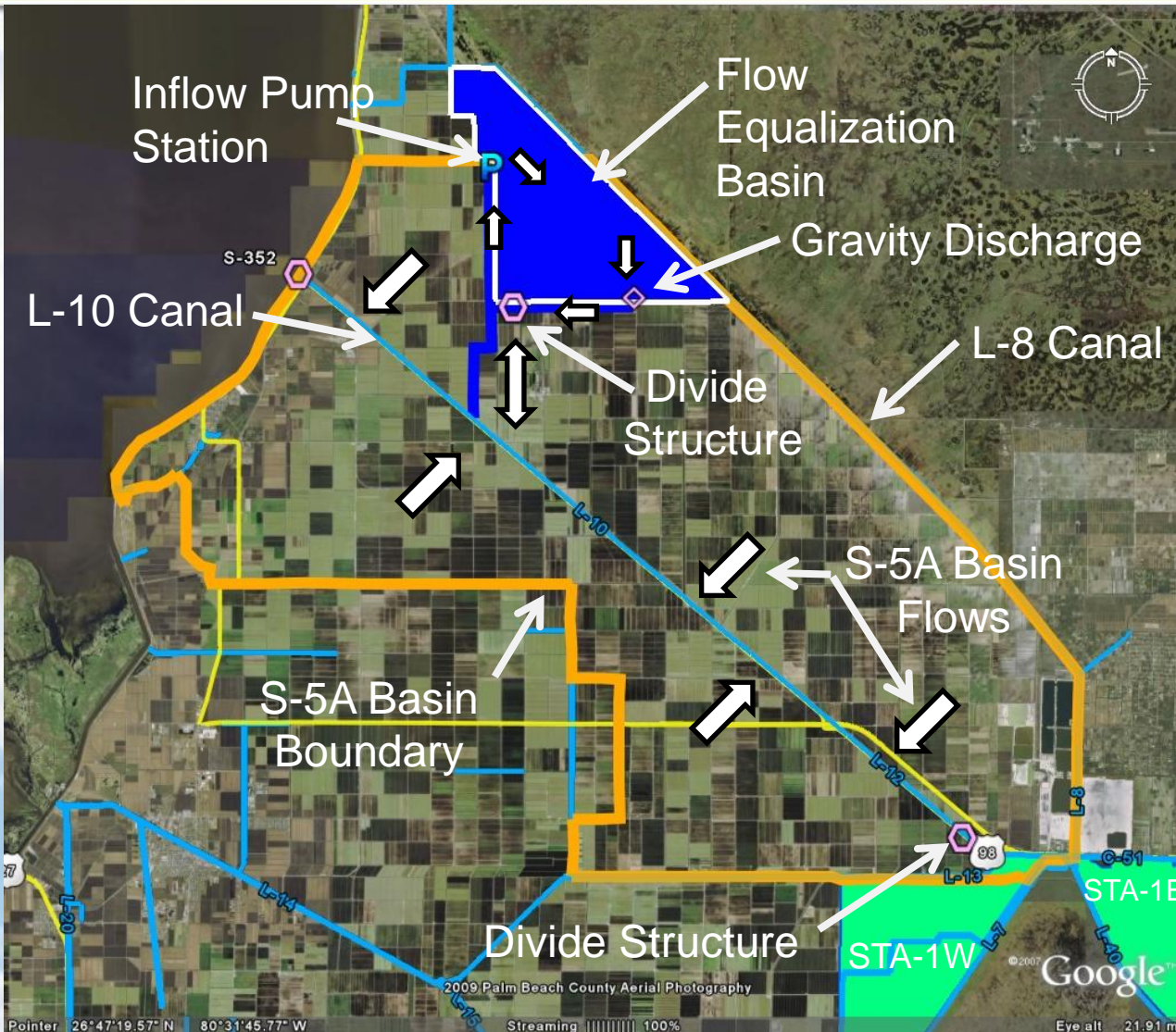


Initial Acquisition Properties

S5A / L-8

- Water Quality modeling of the S-5A / C-51W basins shows a need of approximately 13,400 acres combination Stormwater Treatment Area/Flow Equalization Basin to achieve the water quality standards of expected WQBEL
- Strategically located to capture water from multiple sources
 - Lake Okeechobee
 - S-5A Basin Run-off
 - L-8/C-51W Basin Run-off
- Potential project types
 - Reservoir
 - Flow Equalization Basin (FEB)
 - Stormwater Treatment Area (STA)
 - Combination Reservoir/FEB/STA

Initial Acquisition Properties - S5A / L-8 Flow Equalization Basin



Flow Equalization Basin:
~ 8,100 acres

Water Depth: 4 -12 feet

Storage Capacity:
~ 32,400 - 97,200 acre-feet

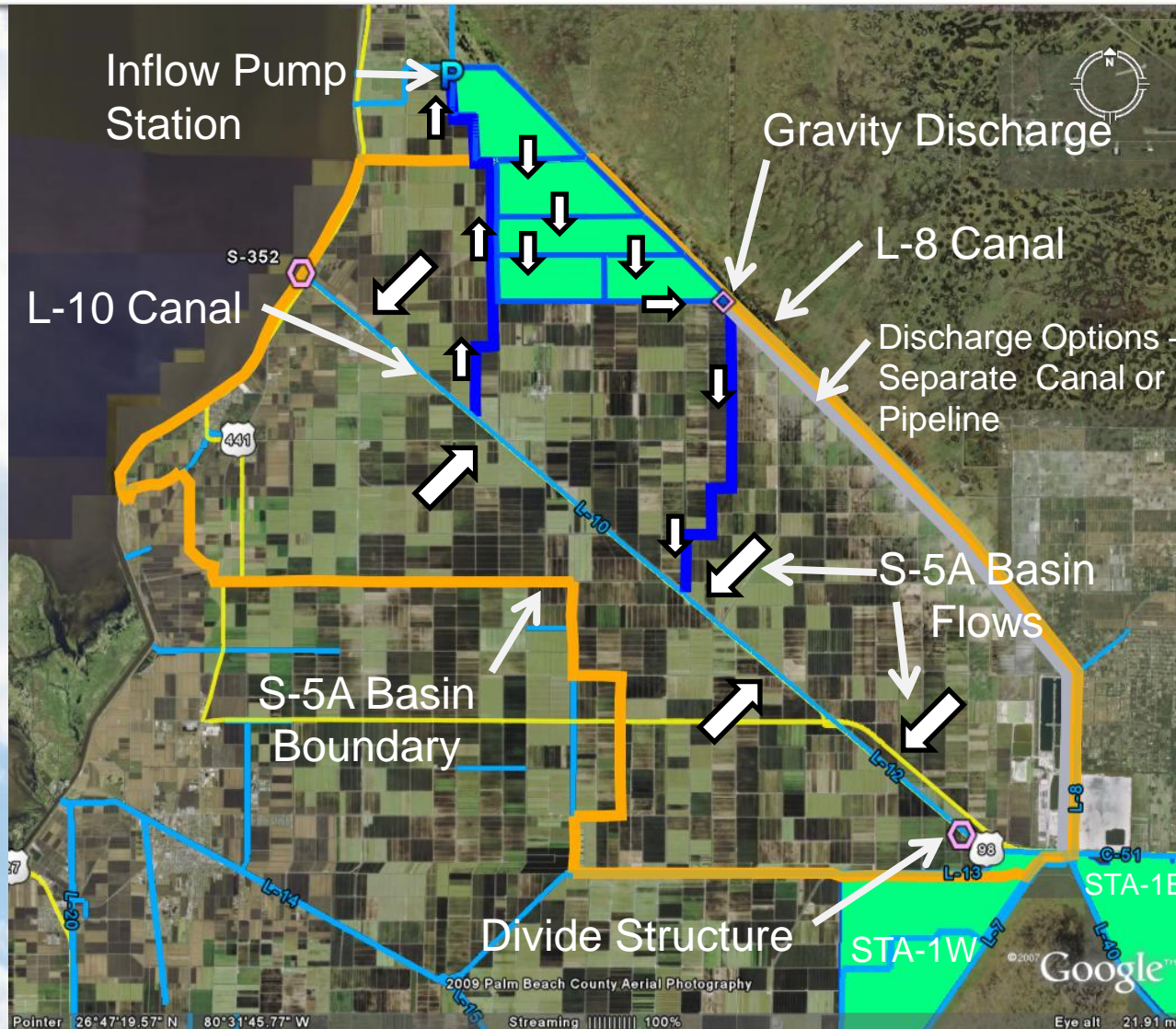
1 Pump Station and 1
Discharge: 1,000 cfs

2 Divide Structures

Intake Canal: 6 miles of
which 3 miles are off-site

Attenuate and Store S-5A
Basin Flows

Initial Acquisition Properties - S5A / L-8 Stormwater Treatment Area



STA Wetted Footprint:
~ 8,100 acres

5 Cells Routed in Parallel
or in Series (Shown)

1 Pump Station and 1
Discharge : 1,100 cfs each

54 Structures: 40 cfs each

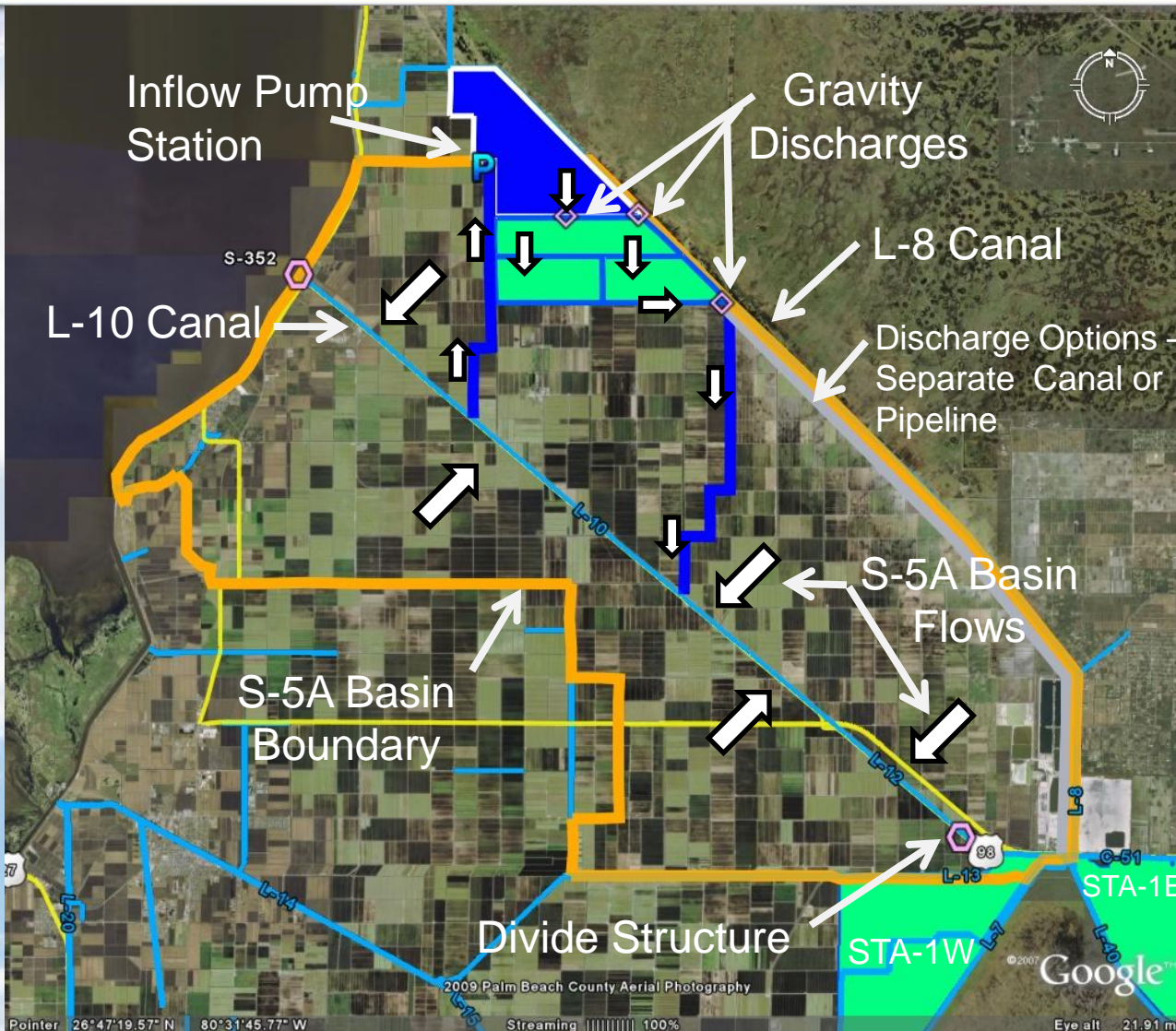
1 Divide Structure

Intake and Discharge
Canals: 15.5 miles of
which 10 miles are off-site

Initial Treatment of S-5A
Basin Flows to STA-1E &
STA-1W

Initial Acquisition Properties - S5A / L-8

Flow Equalization Basin & Stormwater Treatment Area



Reservoir Wetted Footprint:
~ 3,600 acres, 4-12 ft Deep

Storage Capacity: ~ 14,400 - 43,200
acre-feet

STA Wetted Footprint: ~ 4,500 acres

3 Cells Routed in Series;
38 Structures: 50 cfs each

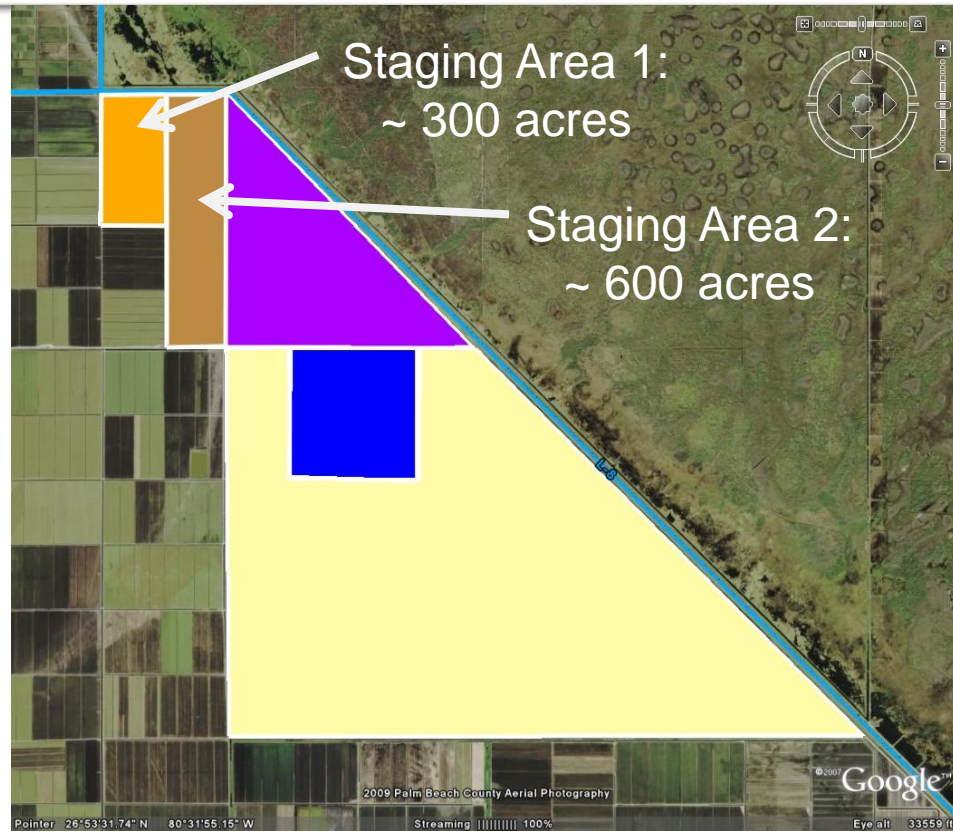
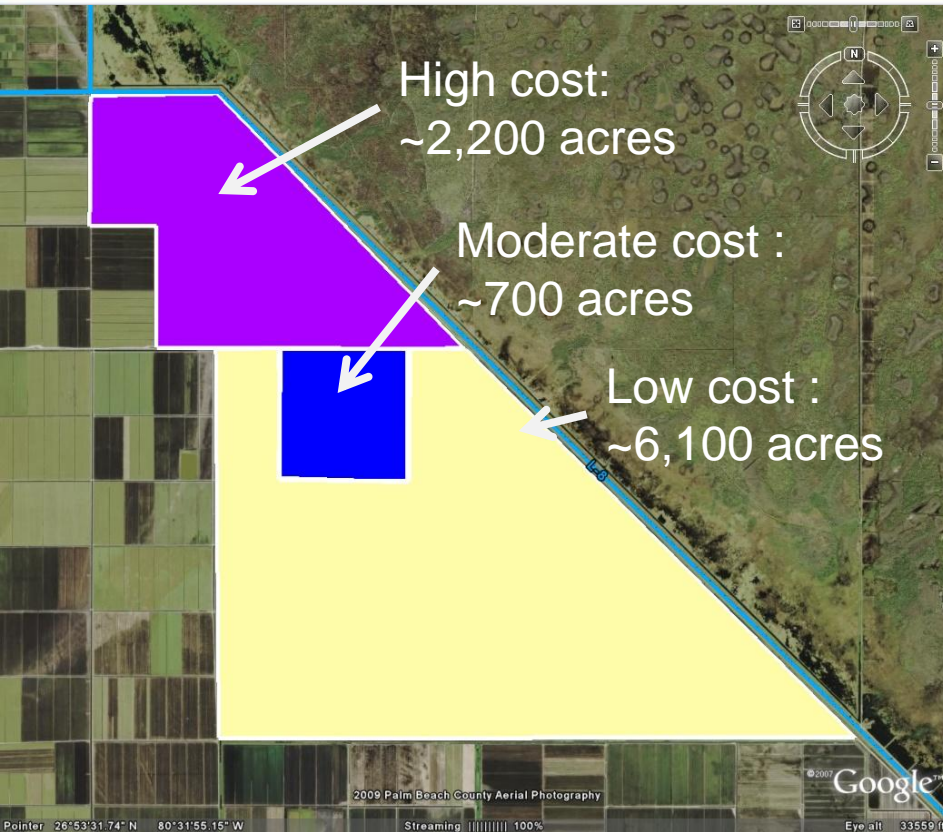
1 Pump Station and 3 Discharges:
1,000 cfs each; 1 Divide Structure

Intake and Discharge Canals: 15.5
miles of which 10 miles are off-site

Discharge to L-10 Canal or Parallel
Canal or Pipeline along L-8 Canal

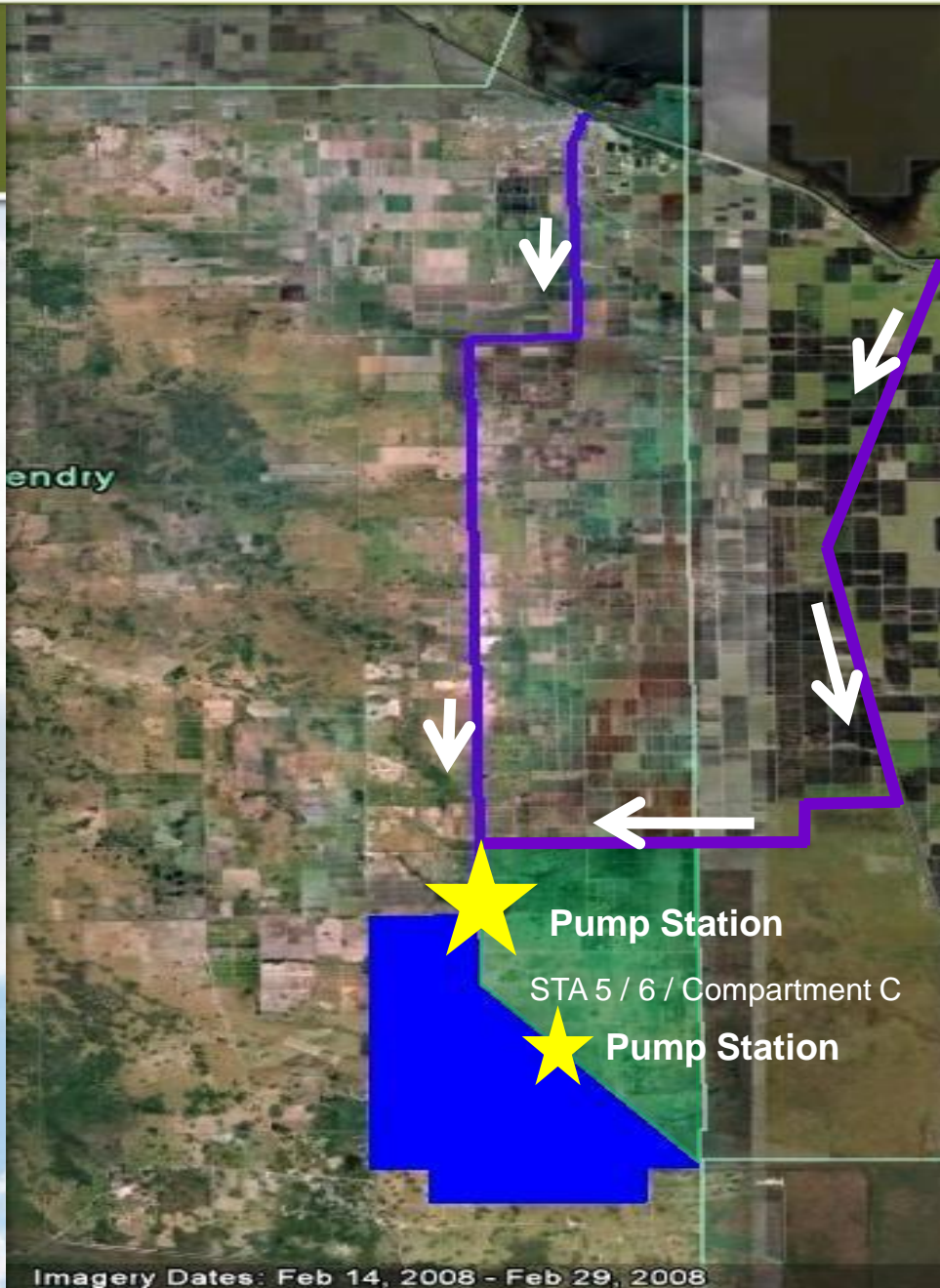
Attenuate and Store S-5A Basin
Flows plus Initial Treatment of S-5A
Basin Flows prior to STA-1E & STA-
1W

Ecological Environmental Assessment and Staging Areas



For any of the proposed configurations one or both of the identified staging areas could be utilized for relocation of soils, stockpiling of materials, staging of equipment, or recreation with minimal impact to achieving configuration objectives. For reservoirs and STA may be more economical and effective to eliminate out cropping area of the site.

C-139 Annex Conceptual Designs

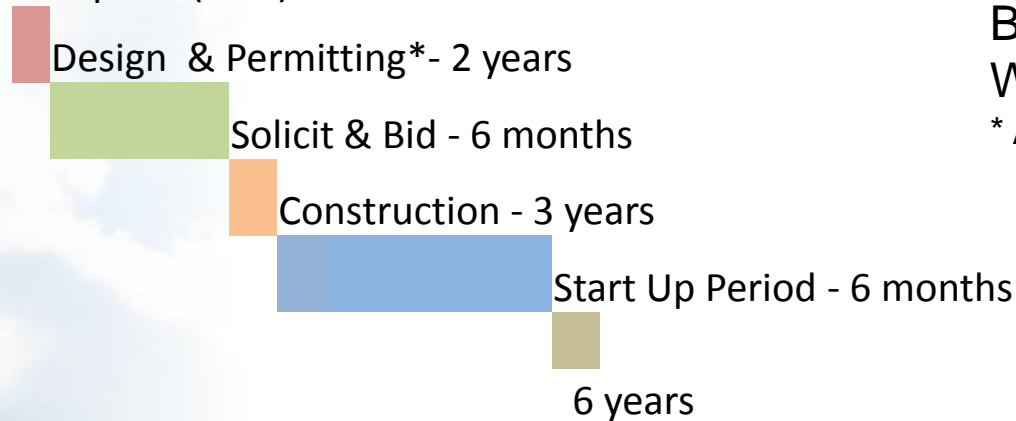


- Assist STA 5/6/Compartment C in meeting the phosphorus criterion
 - Storage: Water Depth 4 -12 feet
 - Treatment: 6-10 cells routed in parallel or in series
- Store and treat Lake Okeechobee high stages to reduce discharges to Caloosahatchee and St. Lucie Estuaries
- Reduce discharge of stormwater runoff from S-4 basin to Lake Okeechobee

Imagery Dates: Feb 14, 2008 - Feb 29, 2008

Post Land Acquisition STA / Shallow FEB Project Timeline

Land Acquisition
Complete (best)



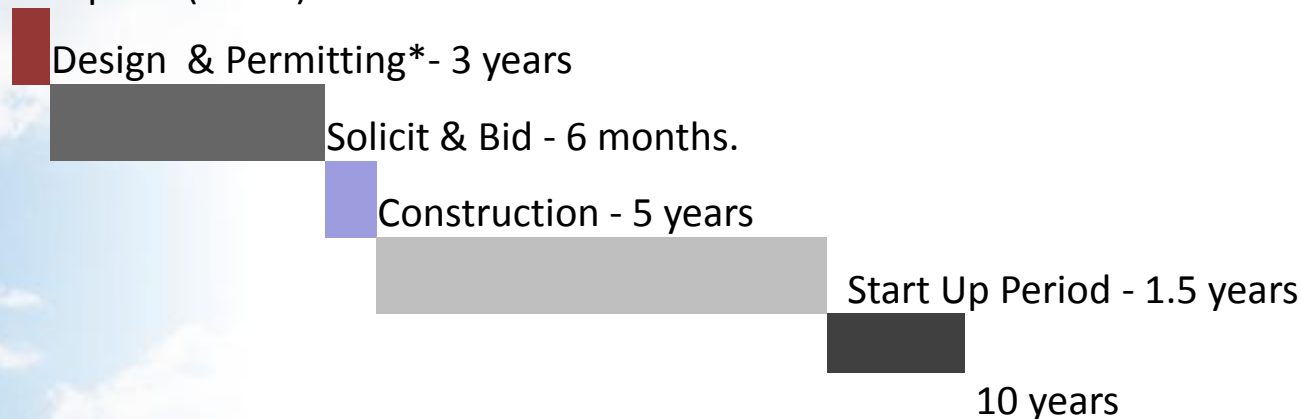
Total Duration:

Best Case: 6 years

Worst Case: 10 years

* Assumes permitting in parallel with design

Land Acquisition
complete (worst)





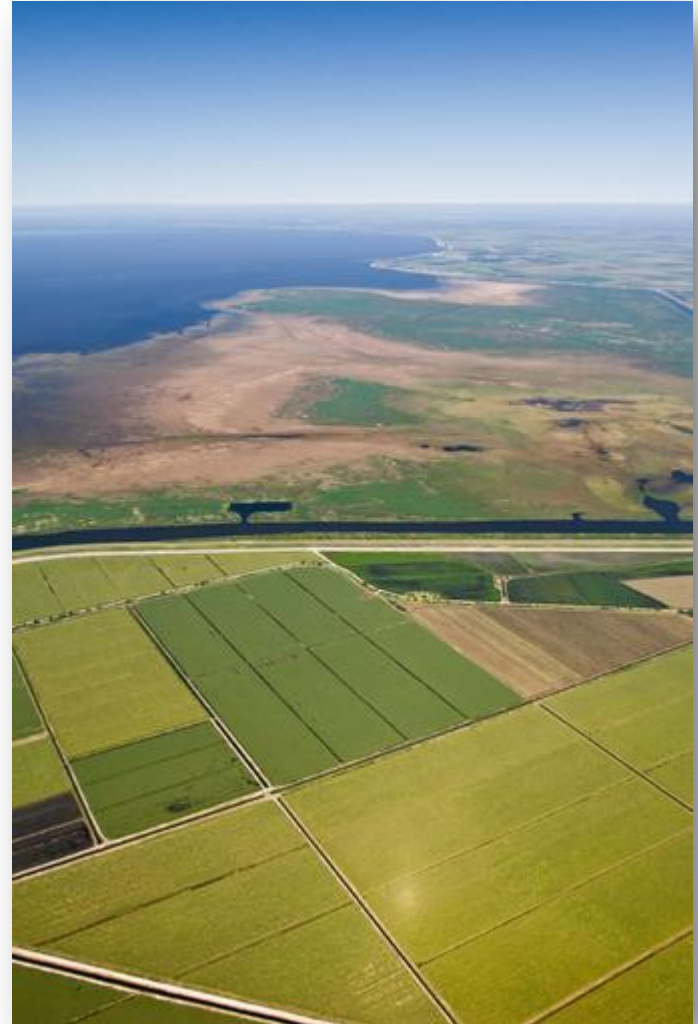
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Legal Update
Sheryl G. Wood
General Counsel

Florida Supreme Court

- Awaiting decisions on:
 - Bond Validation
 - Administrative Challenge to purchase contract
- Supreme Court reconvenes later in August



Federal Cases

USA v. SFWMD (Moreno)

- July 26-28, August 13 – Special Master Hearings
- August 31 - Special Master's Report
 - No deadline for Judge's ruling

Miccosukee Tribe v. USEPA (Gold)

- September 3 – EPA Amended Determination



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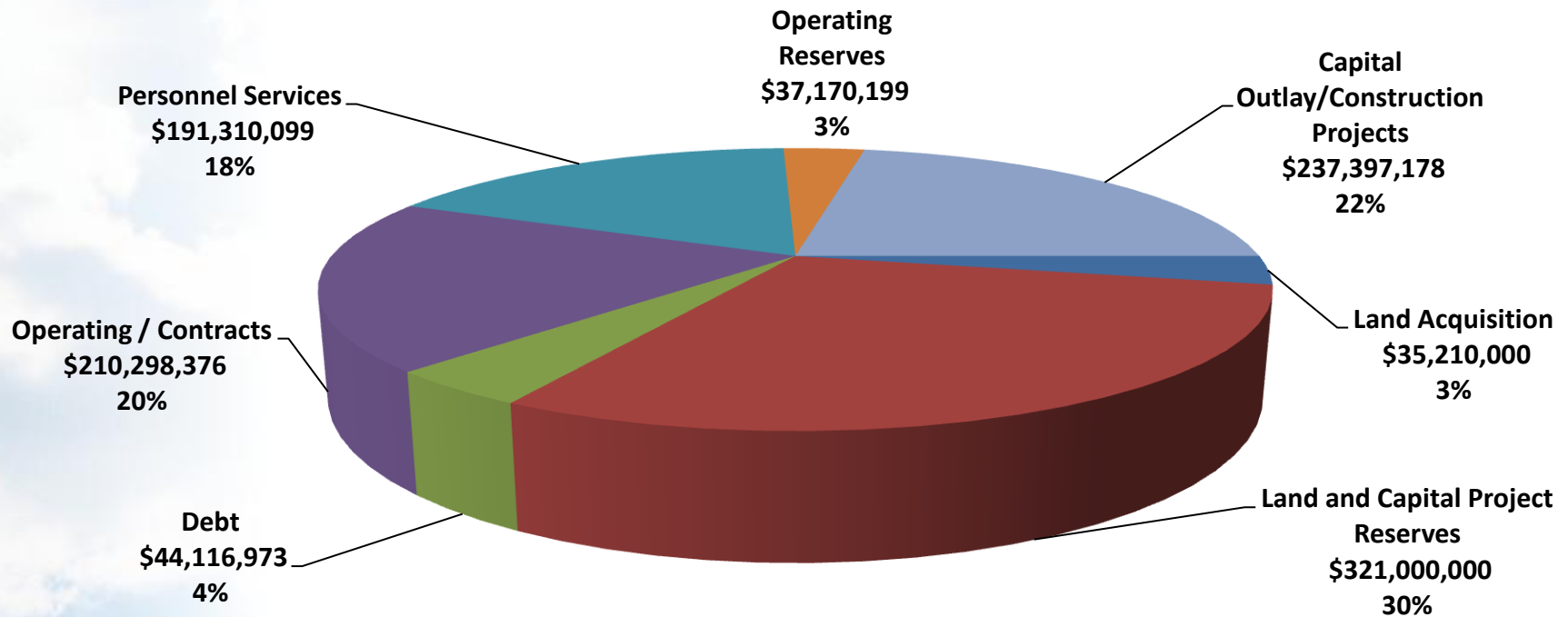
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Budget Outlook


Tom Olliff

Assistant Executive Director

FY11 Budgeted Expenses - \$1,076.5M



Breakdown of Budgeted FY11 Operating Reserves



■ Reserve for contingencies.....	\$7,707,407
■ Hurricane reserves.....	\$10,402,611
■ Reserve for fuel.....	\$2,000,000
■ STA O&M.....	\$3,000,000
■ DROP Liability/FICA/FLSA.....	\$444,000
■ Offset to CAFR Balance (401000).....	\$1,226,167
■ C-43 Water Quality (re-budget).....	\$4,340,536
■ Managerial reserves (Comp. B & C).....	\$4,104,847
■ Lake Okeechobee Trust Fund Balance.....	<u>\$3,944,631</u>
■ Total	\$37,170,199

Reserve for Land and Capital Projects

- Available funds:

Ad valorem balances, Alligator Alley

toll revenue & FY10 cuts.....\$212M

FY11 SOETF in lieu of District ad valorem ⁽¹⁾\$38

EFA fund balance ⁽²⁾.....\$ 71

Total: \$321M

- Pending Federal Court Orders & USSC land acquisition, recommendation is to set these funds aside in a capital reserve

(1) Subject to Federal appropriation of Medicaid funds

(2) Potentially subject to a long term plan amendment



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Governing Board Discussion

Second Amended & Restated Agreement Governing Board Consideration

- A Resolution of the Governing Board of the South Florida Water Management District further amending and supplementing Resolution 2008-1027 and Resolution 2009-500A; authorizing the execution and delivery of a second amended and restated agreement for sale and purchase with United States Sugar Corporation and its affiliates regarding 26,791.32 acres, more or less, located in Hendry and Palm Beach Counties in the amount of \$197,396,088; providing for other matters related therewith; and providing for an effective date.